



WORKING PAPER

**SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)**

Montréal, HQ, 16 to 20 November 2026

**Agenda Item 4: Emerging technologies, new business models and other associated aspects
4.2: Support and economic opportunities of access to aviation cleaner energies**

**BALANCING AVIATION SUSTAINABILITY POLICIES AND AIR TRANSPORT
DEVELOPMENT - ENSURING THAT AVIATION SUSTAINABILITY MEASURES DO NOT
UNDERMINE AIR TRANSPORT AFFORDABILITY, DISTORT MARKETS OR REDUCE
CONNECTIVITY**

(Presented by Egypt on behalf of 54 Member States of the African Civil Aviation Commission²)

EXECUTIVE SUMMARY

The global aviation sector adopted the ICAO Long-Term Aspirational Goal (LTAG) of net-zero carbon emissions by 2050 and remains committed to the effective implementation of ICAO environmental measures, including Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), ICAO vision of CO₂ emission reduction by 5% by use of Sustainable Aviation Fuels (SAF), Lower Carbon Aviation Fuels (LCAF) and other cleaner energies, operational improvements, airport modernization and technological improvements. African States fully support ICAO environmental objectives and their effective implementation.

The rapid emergence of multiple sustainability-related measures at global, regional and national levels is creating growing concerns regarding cumulative compliance costs, overlapping obligations, market distortions, reduced competitiveness, and potential impacts on connectivity and affordability. Airlines, passengers and States continue to face the combined effects of LTAG, CORSIA requirements, emissions trading schemes, SAF blending mandates, environmental levies, sustainability reporting obligations and other climate-related measures. In some jurisdictions these measures may operate simultaneously, increasing compliance complexity and costs.

This paper calls for a comprehensive assessment of the cumulative impacts of sustainability-related measures on affordability, connectivity, market access and economic development of air transport. The paper further calls for development of global mechanism that ensures a coordinated, equitable, economically sustainable and consistent transition that prevents duplicative charging, unnecessary market distortions and unintended negative impacts on international air transport.

¹ English and French versions provided by AFCAC.

² Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

Action: The conference is invited to: - recognize the need to balance environmental objectives with air transport development, connectivity and affordability; - reaffirm CORSIA as the only global market-based measure (MBM) and urge all States and regional organizations to avoid the application of overlapping, duplicative or extraterritorial market-based measures/emissions trading schemes that may result in double charging, market distortions, reduced competitiveness, increased costs, and adverse impacts on connectivity and the sustainable development of international air transport; - request ICAO to assess the cumulative economic and connectivity impacts of sustainability-related measures, including emissions trading schemes, SAF, LCAF mandates, carbon-related charges, levies and other environmental measures on air transport development; and - request ICAO to develop a mechanism to prevent double charging and overlapping regulatory obligations affecting international aviation and report recommendations and proposed policy options to the 44th Session of the ICAO Assembly.	
<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
<i>Financial implications:</i>	The activities proposed for ICAO may require resources within its Regular Programme and/or voluntary contributions.
<i>References:</i>	Doc 10227, <i>Assembly Resolutions in Force (As of 3 October 2025)</i> , A41-21 and A42-22 A42-WP/122 ICAO Global Framework for SAF, LCAF and Other Aviation Cleaner Energies ICAO CORSIA Framework Doc 7300, <i>Convention on International Civil Aviation</i> (Chicago Convention), Art. 44 Lomé Declaration on Air Transport Development IATA Net Zero Roadmap (2024)

1. INTRODUCTION

1.1 The adoption of the ICAO Long-Term Aspirational Goal (LTAG) of net-zero carbon emissions by 2050 marked a historic milestone in international aviation's environmental transition. ICAO has subsequently strengthened work on SAF, LCAF, CORSIA implementation, cleaner energy pathways and aviation decarbonization financing. While support for decarbonization is widespread, the implementation of sustainability measures is increasingly occurring through a combination of global, regional and national initiatives. As these initiatives expand, concerns are emerging regarding the cumulative impact of multiple environmental requirements on airlines, passengers, tourism, trade and air transport development.

1.2 The challenge is to ensure that aviation decarbonization is implemented in a coordinated, equitable and development-oriented manner that avoids unnecessary economic burdens, regulatory fragmentation and adverse impacts on connectivity and growth. Attention should be given to assessing the implications of sustainability measures on connectivity, affordability, access to air services, tourism development, trade competitiveness and economic growth.

1.3 African States have consistently supported ICAO-led environmental initiatives, including the LTAG and CORSIA. Voluntary participation in CORSIA has grown to 27 (50%) African States by 2025. Implementation of the Free Route Airspace (FRA) initiative, which promotes direct flight routing to reduce fuel consumption, carbon emissions (over 6,000 tCO₂ avoided) and operating costs while enhancing efficiency and connectivity across the continent is ongoing. These efforts are complemented with continental strategies for SAF, LCAF development and deployment, a demonstration that Africa is actively

contributing to global climate objectives in a harmonized approach. Therefore, aviation sustainability measures should be implemented in a globally coordinated, equitable and development-oriented framework that achieves emissions reductions while preserving connectivity, affordability, competitiveness and the vital socio-economic benefits that air transport delivers to developing countries.

2. DISCUSSION

Growing Cost Pressures in the Aviation Energy Transition

2.1 The scale of investment required to achieve aviation's environmental objectives is substantial. Analyses estimate that achieving net-zero aviation emissions by 2050 could require investment approaching USD 4.7 trillion across fuels, aircraft technologies, infrastructure and associated decarbonization measures. SAF, LCAF is expected to contribute approximately 65 per cent of the emissions reductions required to achieve aviation net-zero. SAF, LCAF currently accounts for less than 1% of global aviation fuel consumption and is significantly more expensive than conventional jet fuel with prices averaged approximately 3.1 times conventional fuel costs in 2024. In 2025, SAF costs were approximately five times the conventional fuel costs in mandated markets. These additional costs will ultimately be absorbed through some combination of higher fares, reduced airline profitability, reduced network expansion and lower route viability, particularly in developing and emerging markets.

Risk of Policy Fragmentation and Market Distortions

2.2 The international aviation system was built on the principle of global harmonization under ICAO. However, an increasing number of sustainability-related requirements are being introduced through regional and national frameworks. Airlines operating internationally may be required simultaneously to comply with CORSIA obligations, SAF, LCAF mandates, sustainability reporting requirements, fuel-related obligations and other environmental levies. The interaction among these mechanisms remains insufficiently assessed at the global level. The cumulative effect of multiple measures may create competitive distortions between airlines, regions and markets, particularly where access to SAF, LCAF financing, technology and infrastructure differs significantly.

2.3 The risks associated with fragmented sustainability policies are particularly significant for Africa, which currently accounts for only about 2.1% of global air traffic yet is projected to achieve annual traffic growth of approximately 4% between 2018 and 2050. At the same time, African airlines remain financially fragile, operating on narrow profit margins and with limited capacity to absorb additional costs. In this context, the proliferation of regional emissions trading schemes, carbon taxes, levies and other sustainability-related requirements could disproportionately increase costs, reduce affordability and weaken competitiveness in one of the world's fastest-growing aviation markets. Such measures risk constraining connectivity, limiting market development and undermining the socio-economic benefits that air transport delivers across the continent. Conversely, globally-harmonized approaches such as CORSIA, provide a more coordinated and equitable pathway for achieving aviation decarbonization while supporting sustainable development objectives.

Emerging Concerns Regarding Double Charging

2.4 Several States and industry stakeholders have expressed concerns regarding the potential for overlapping environmental measures to create situations in which operators face multiple carbon-related compliance costs linked to the same activity. CORSIA was established by ICAO as the only global market-based measure for international aviation yet additional regional and national carbon pricing mechanisms and schemes are proliferating and being replicated elsewhere. The interaction of these mechanisms raises questions concerning consistency, proportionality, administrative burden and economic efficiency. The

issue is not opposition to environmental action. Rather, it is the need to ensure that environmental measures are coordinated, transparent and implemented in a manner that avoids unnecessary duplication, double charging and unintended impacts on international aviation connectivity that increase compliance costs without necessarily generating additional environmental benefits.

Connectivity and Development Implications

2.5 Air transport is a critical enabler of trade, tourism, investment, employment and economic integration, particularly for developing, landlocked, island and remote economies. Aviation sustainability policies should balance environmental objectives with affordability, connectivity and development needs. Cost increases, including those arising from taxes, charges and fees, raise airfares, reduce passenger demand and adversely affect the affordability, accessibility and connectivity of air transport, particularly in price-sensitive and developing markets. Sustainability measures should therefore be proportionate, economically sustainable and sensitive to market conditions, ensuring that the transition to lower-carbon aviation does not inadvertently increase costs, suppress demand or constrain the connectivity and broader development benefits upon which economies depend.

Need for Coordinated ICAO Action

2.6 Although ICAO has established important environmental frameworks, there is currently no globally agreed mechanism for assessing the combined impact of sustainability measures on connectivity; affordability; market access; airline competitiveness; tourism; trade; and economic development. A structured ICAO assessment would provide an evidence-based foundation for future policy decisions and help ensure that environmental measures support both sustainability objectives and the sustainable growth of international air transport.

2.7 African States note with concern the ongoing review of the European Union Emissions Trading System (EU ETS), including proposals that could extend its scope to certain international flights based on a geographic criterion of approximately 5,000 kilometres from the geographical centre of Europe. The principles of equality of opportunity and non-discrimination under the Chicago Convention warrant careful consideration of differentiated climate-related measures, including the EU ETS and other regional market-based measures. Africa notes with concern that the proliferation of regional market-based measures risks fragmenting international aviation climate policy and undermining the uniform application of CORSIA, which ICAO has reaffirmed as the only global market-based measure for international aviation designed to avoid a patchwork of duplicative measures and ensure that emissions are accounted for only once.

2.8 The need for coordinated ICAO action has become increasingly important as the global aviation sustainability framework evolves. ICAO in Assembly Resolution A42-22 has reaffirmed CORSIA as the only global market-based measure for addressing CO₂ emissions from international aviation, recognizing its role in avoiding a patchwork of duplicative State and regional measures and ensuring that aviation emissions are accounted for only once. ICAO has further emphasized that fragmented and non-harmonized approaches can increase compliance costs, create unnecessary administrative complexity and undermine the efficiency of global implementation efforts.

3. CONCLUSION

3.1 The success of aviation decarbonization will depend on environmental ambition, policy coherence, economic sustainability and global coordination. The growing number of sustainability-related measures highlights the need for ICAO to assess cumulative impacts on affordability, connectivity, competitiveness and development. Achieving net-zero emissions should not inadvertently reduce

connectivity, increase inequalities, restrict market access or undermine aviation's role as an enabler of economic growth and social development.

3.2 ICAO is uniquely positioned to provide a global framework that supports implementation of environmental objectives while avoiding double charging, unnecessary regulatory fragmentation and unintended market distortions. A comprehensive review of the cumulative impacts of aviation sustainability measures, including the interaction of emissions trading schemes, SAF, LCAF mandates, carbon-related charges and other environmental measures on air transport development is required with a view to developing an appropriate mechanism and recommendations for consideration by the 44th Session of the ICAO Assembly.

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